UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
NORFOLK DIVISION

JTH TAX, INC. d/b/a LIBERTY TAX SERVICE,

Plaintiff,

Civil No. 2:07cv170

v.

KENYA WHITAKER,

Defendant.

Declaration of Geoff Knapp

Pursuant to 28 U.S.C. § 1746, I, Geoff Knapp, submit this declaration in support of JTH Tax, Inc.'s ("Liberty") claim against Kenya Whitaker ("Whitaker"). I declare under penalty of perjury that the following statements are true and correct:

1. I am over the age of eighteen (18) years and am fully competent to testify to the matter stated in this declaration. This declaration is based upon my personal knowledge, Liberty's corporate and business records, and information available form Liberty's employees and agents.

2. I am an Area Developer for JTH Tax, Inc. d/b/a Liberty Tax Service ["Liberty"] and have been since December 2003. The area in which I serve as an Area Developer includes the Carrollton area of Texas where Whitaker operated a Liberty Tax Service office.

3. In January 2004, Whitaker commenced operation of a Liberty Tax office within the territory TX066 located at 2661 Midway Road, Suite 213, Carrollton, Texas 75006.

4. In January 2007, Liberty noticed some irregularities in the processing of tax returns at Whitaker's Liberty office.

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5. In particular, all the tax returns processed were paper returns, no tax returns had been electronically filed using Liberty's software, the office had a low average net fee charged for tax preparation services and there was a drop in the number of returns prepared as compared to the prior year. In fact, Whitaker prepared 129 returns in the prior year during the month of January and this year she only prepared 85 returns during this same period.

6. Most oddly, Whitaker's husband admitted to me, "we have outsourced our operation" and "India supports us." Attached hereto as Exhibit 1 are true and correct copies of email correspondence with Whitaker.

7. Whitaker had also ceased use of Liberty's software and electronic filing services.

8. Following the discovery of these irregularities, I visited Whitaker's office on February 5, 2007 in an effort to inspect Whitaker's customer tax preparation records.

9. Upon arrival, I met with Whitaker and explained that I was there to inspect the tax preparation records.

10. Whitaker refused to permit me to inspect the records and said "I won't let you see my files." As such, I left the office.

11. Upon leaving the office, I waited a short time and then attempted to contact Whitaker via telephone in an effort to inspect the files.

12. Whitaker again stated that she would not permit me to inspect the files.

13. Upon termination of Whitaker's franchise agreement, I attempted to gain Whitaker's compliance with the post termination covenants contained in her franchise agreement.

14. In particular, on February 9, 2007, I called Whitaker on her home phone, office phone and cell phone and left messages for Whitaker to return my call.

15. On February 12, 2007, I again called Whitaker's former Liberty office and asked to speak with Whitaker. Upon being asked who I was by Whitaker's receptionist, I was disconnected.

16. To this date, Whitaker has yet to return my phone call.

17. Whitaker has refused to comply with her post termination obligations and has instead retained some if not all of her client files, retained the Operations Manual which Liberty loaned to her, retained her former Liberty telephone number and refused to cease identification under Liberty's federally registered trademarks.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 10 day of April 2007.

Geoff Knapp